

OFFICIAL STATEMENT

CENTRAL SCHOOL DISTRICT
San Bernardino County, California

\$725,000 Principal Amount

Election 1977 Bonds, Series 2
(General Obligations)

INSTITUTE OF GOVERNMENTAL
STUDIES

FEB 15 1979

UNIVERSITY OF CALIFORNIA

Bids to be received by the Board of Supervisors of San Bernardino County,
County Civic Building, 175 West Fifth Street, San Bernardino, California
92415 at 10:00 A.M., Monday, February 26, 1979.

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CENTRAL SCHOOL DISTRICT
San Bernardino County, California

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PROFESSIONAL SERVICES

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco
Financing Consultants

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 23, 1979

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TO WHOM IT MAY CONCERN:

UNIVERSITY OF CALIFORNIA

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$725,000 principal amount of the Election 1977, Series 2 Bonds, proposed to be issued by the Central School District.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Central School District (which firm will receive compensation from the District contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Election 1977, Series 2 Bonds. Statements contained in this Official Statement which involve estimates, forecasts, or matters of opinion, whether or not expressly so described, are intended solely as such and are not to be construed as representations of fact.

No dealer, broker, salesman or other person has been authorized by the District to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The members of the Board of Trustees of the Central School District have reviewed this Official Statement and have determined that as of the date hereof the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. The Central School District will deliver to the purchaser of the Bonds a certificate as to the above, dated the date of Bond delivery and further certifying that the signatories know of no material adverse change in the condition of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds. The original purchaser of the Bonds will be supplied with 100 copies of the Official Statement for this purpose.

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the District, will be furnished to the successful bidder (see the portion of this Official Statement entitled "Legal Opinion"). The scope of Bond Counsel's employment in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth in the section entitled "The Bonds", excepting the material under the heading "Estimated Debt Service".

January 23, 1979

Norman C. Guith, Ed.D.
Superintendent
CENTRAL SCHOOL DISTRICT

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The Central School District services a six square mile area which includes a major portion of Rancho Cucamonga and a small part of Upland.

STONE & YOUNGBERG

MUNICIPAL FINANCING CONSULTANTS, INC.

SUITE 2750 • ONE CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111 • (415) 989-2300

1541 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90017 • (213) 483-1643

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American Employees Insurance Company	Employees Reinsurance Corporation
American Express Company	Equitable Life Assurance Society
American Family Insurance Group	Equitable Life Insurance Company of Iowa
American General Life Insurance Company	Farm Bureau Mutual Insurance Company
American Mutual Life Insurance Company	Farmers Insurance Group
American National Insurance Company	Farmers New World Life Insurance Company
American Re-Insurance Company	Fidelity & Deposit Insurance Company
American Republic Insurance Company	Fidelity Mutual Life Insurance Company
American States Insurance Company	Fidelity-Phoenix Insurance Company
Arkwright-Boston Manufacturers Mutual Insurance Company	First Catholic Slovak Union of the United States of America
Atlantic Mutual Insurance Company	Foremost Insurance Company
Automobile Club of Southern California	Franklin Life Insurance Company
Bankers Life & Casualty Company	General Accident Fire & Life Assurance Corporation, Ltd.
Bankers Life Company	General American Life Insurance Company
Bankers Life Insurance Company of Nebraska	General Insurance Company of America
Bankers National Life Insurance Company	General Reinsurance Corporation
Beneficial Life Insurance Company	Georgia International Life Insurance Company
Beneficial Standard Life Insurance Company	Government Employees Insurance Company
Boston Mutual Life Insurance Company	Great American Insurance Company
Business Men's Assurance Company of America	Great-West Life Assurance Company
Cal-Farm Insurance Company	Greater New York Mutual Insurance Company
California State Automobile Association	Guardian Life Insurance Company of America
California-Western States Life Insurance Company	Gulf Life Insurance Company
Cambridge Mutual Fire Insurance Company	John Hancock Mutual Life Insurance Company
Canada Life Assurance Company	The Hanover Group
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Central National Insurance Company of Omaha	Hardward Mutual Casualty Company
Chicago Title & Trust Company	Hartford Accident & Indemnity Company
Chubb & Son, Inc.	Hartford Steam Boiler Inspection & Insurance Company
CNA Insurance Corporation	Highlands Insurance Company
Coastal State Life Insurance Company	Home Insurance Company
Colonial Penn Group	Homesteaders Life Company
Columbus Mutual Life Insurance Company	Imperial Life Assurance Company of Canada
Combined Insurance Company of America	Indiana Insurance Company
Connecticut General Life Insurance Company	Insurance Company of North America
Connecticut Mutual Life Insurance Company	Interstate Life & Accident Insurance Company
Continental Casualty Company	Jefferson Standard Life Insurance Company
Continental Insurance Company	Kansas City Life Insurance Company
Country Life Insurance Company	Kemper Insurance Group
Detroit Automobile Inter-Insurance Exchange	Keystone Insurance Company
Dodge & Cox	

(OVER)

Liberty Mutual Insurance Company
 Life Insurance Company of Georgia
 Life Insurance Company of Virginia
 Lincoln National Life Insurance Company
 Loomis, Sayles & Co., Inc.
 Lutheran Mutual Life Insurance Company
 Manhattan Life Insurance Company
 Metropolitan Life Insurance Company
 MFA Mutual Insurance Company
 MGIC Indemnity Corporation
 Minnesota Mutual Life Insurance Company
 Monarch Life Insurance Company
 Monumental Life Insurance Company
 Mortgage Guaranty Insurance Corporation
 Motors Insurance Corporation
 Mutual Benefit Life Insurance Company
 Mutual Life Insurance Company of New York
 Mutual of Omaha Insurance Company
 Mutual Service Casualty Insurance Company
 Mutual Trust Life Insurance Company
 National Automobile & Casualty Insurance Company
 National Farmers Union Life Insurance Company
 National Life & Accident Insurance Company
 National Life Insurance Company
 National Old Line Insurance Company
 Nationwide Life Insurance Company
 New England Mutual Life Insurance Company
 New York Life Insurance Company
 NN Corporation
 North American Life Assurance Company
 North Carolina Mutual Life Insurance Company
 The Northern Assurance Company of America
 Northwestern Mutual Insurance Company
 Northwestern Mutual Life Insurance Company
 Northwestern National Insurance Company
 Northwestern National Life Insurance Company
 Nuveen Bond Fund
 Occidental Life Insurance Company of California
 Ohio Life Insurance Company
 Ohio State Life Insurance Company
 Old American Insurance Company
 Pacific Mutual Life Insurance Company
 Pan American Life Insurance Company
 Peninsular Life Insurance Company
 Penn Mutual Life Insurance Company
 Pennsylvania National Mutual Insurance Company
 Peoples Life Insurance Company
 Philadelphia Investment Company
 Philadelphia Life Insurance Company
 Philadelphia Re-Insurance Company
 Phoenix Mutual Life Insurance Company
 Pilot Life Insurance Company
 Polish National Alliance of the U.S. of N.A.
 Preferred Risk Mutual Insurance Company
 Protective Life Insurance Company
 Provident Life & Accident Insurance Company
 Provident Mutual Life Insurance Company of Philadelphia
 Prudential Insurance Company of America

Reinsurance Corporation of New York
 Reliance Insurance Company
 Republic Insurance Company
 Reserve Insurance Company
 Reserve Life Insurance Company
 Rural Security Life Insurance Company
 Safeco Insurance Company of America
 St. Paul Fire & Marine Insurance Company
 Scudder, Stevens & Clark - New York
 Scudder, Stevens & Clark - Boston
 Security Benefit Life Insurance Company
 Security Life & Accident Company
 Security Mutual Casualty Company
 Sentry Group
 Society for Savings
 Southern Farm Bureau Casualty Insurance Company
 Southern Life & Health Insurance Company
 Southland Life Insurance Company
 Southwestern Life Insurance Company
 Standard Insurance Company
 State Automobile Mutual Insurance Company
 State Farm Mutual Automobile Insurance Company
 State Mutual Life Assurance Company of America
 Stuyvesant Life Insurance Company
 Sun Life Assurance Company of Canada
 Swett & Crawford
 Swiss Re-Insurance Company
 Tennessee Life Insurance Company
 Title Insurance & Trust Company
 Transamerica Insurance Company
 Transamerica Investment Counselors, Inc.
 Transamerica Title Insurance Company
 Transport Insurance Company
 Travelers Insurance Company
 Unigard Olympic Life Insurance Company
 Union Life Insurance Company
 United Benefit Life Insurance Company
 United Insurance Company of America
 United National Life Insurance Society
 United States Fidelity & Guaranty Company
 Utah Home Fire Insurance Company
 Volunteer State Life Insurance Company
 Washington National Insurance Company
 West Coast Life Insurance Company
 Western Fire Insurance Company
 Western & Southern Life Insurance Company
 Woodmen Accident & Life Company
 Woodmen of the World
 Woodmen of the World Life Insurance Society

NOTICE INVITING BIDS ON \$725,000.00
GENERAL OBLIGATION BONDS
OF CENTRAL SCHOOL DISTRICT
OF SAN BERNARDINO COUNTY, CALIFORNIA

NOTICE IS HEREBY GIVEN that sealed proposals for the purchase of \$725,000.00 par value general obligation bonds of the Central School District of San Bernardino County, California, will be received by the Board of Supervisors of said county at the place and up to the time below specified:

TIME: Monday, February 26, 1979
10:00 o'clock a.m.

PLACE: Office of the Clerk of the Board of Supervisors,
County Civic Building, 175 West Fifth Street,
San Bernardino, California, 92415

MAILED BIDS: Mailed bids should be addressed to the Clerk of
the Board of Supervisors, County Civic Building,
175 West Fifth Street, San Bernardino, California,
92415

ISSUE: \$725,000.00 consisting of 145 bonds, numbered
1 to 145, both inclusive, of the denomination of
\$5,000 each, all dated March 1, 1979, and design-
ated "Election 1977, Series 2."

MATURITIES: The bonds will mature in consecutive numerical order
in the amounts for each of the several years in accor-
dance with the following schedule:

<u>AMOUNT OF BONDS MATURING</u>	<u>DATE OF MATURITY</u>
\$ 15,000.00	March 1, 1981
20,000.00	March 1, 1982
20,000.00	March 1, 1983
20,000.00	March 1, 1984
25,000.00	March 1, 1985
25,000.00	March 1, 1986
30,000.00	March 1, 1987
30,000.00	March 1, 1988
30,000.00	March 1, 1989
30,000.00	March 1, 1990
35,000.00	March 1, 1991
35,000.00	March 1, 1992
40,000.00	March 1, 1993
40,000.00	March 1, 1994
45,000.00	March 1, 1995
45,000.00	March 1, 1996
50,000.00	March 1, 1997
70,000.00	March 1, 1998
120,000.00	March 1, 1999

REDEMPTION: Bonds maturing on or before March 1, 1994 are not subject to call or redemption prior to their maturity dates. Bonds maturing on or after March 1, 1995 are subject to call and redemption at the option of the governing board of said school district on March 1, 1989 or any interest payment date thereafter prior to their maturity dates at a redemption price equal to the principal amount plus a premium equal to the sum of 1/4 of 1 percent of the principal amount plus 1/4 of 1 percent of the principal amount for each year or portion of a year between the redemption date and the maturity date. If less than all of the bonds are to be redeemed at any one time, the bonds shall be redeemed only in inverse order of maturity and number beginning with the highest numbered bond.

SIGNATURE

ON BONDS: At least one of the signatures on the bonds will be manually affixed.

INTEREST: The bonds shall bear interest at a rate or rates to be fixed upon the sale thereof but not to exceed 8% per annum, payable annually for the first year after the date of said bonds and semiannually thereafter.

PAYMENT: Said bonds and the interest thereon are payable in lawful money of the United States of America at the Office of the Treasurer-Tax Collector of San Bernardino County.

REGISTRATION: The bonds will be coupon bonds registrable only as to both principal and interest.

SECURITY: Said bonds are general obligations of said school district and the Board of Supervisors of San Bernardino County has power and is obligated to levy ad valorem taxes for the payment of the bonds and the interest thereon without limitation as to rate or amount upon all property within the district subject to taxation (except for certain classes of personal property).

TERMS OF SALE

INTEREST RATE: Maximum eight (8%) per annum, payable on March 1, 1980 and semiannually thereafter on September 1 and March 1 in each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders may specify any number of separate rates of interest and the same rate or rates may be repeated as often as desired provided that: (1) all bonds maturing in the same year shall bear the same rate of interest; (2) the difference between the lowest and highest rates specified in any bid shall not exceed two percent (2%); (3) each interest rate specified must be in a multiple of 1/20 of 1% and a zero rate of interest cannot be specified; (4) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (5) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (6) any premium must be paid in full in bank funds as part of the purchase price, and no bid will be accepted which contemplates interest or other concession by the bidder as a substitute for payment in full of the purchase price in bank funds; and, (7) for the period of maturity commencing with March 1, 1995 and terminating on March 1, 1999, the interest rate specified for the bonds of any maturity year in such period of maturities shall not be less than the interest rate for the bonds of any prior maturity year in such period of maturities. Bids which do not conform to the terms of this paragraph will be rejected.

AWARD; FORM OF BID: The bonds shall be sold for cash only. All bids must be for not less than all of the bonds hereby offered for sale and each bid shall state that the bidder offers par and accrued interest to the date of delivery, the premium, if any, and the interest rate or rates not to exceed those specified herein, at which the bidder offers to buy said bonds. Each bidder shall state in his bid the total net interest cost in dollars and the average net interest rate determined thereby, which shall be considered informative only and not a part of the bid. Each bid, together with bid check, must be enclosed in a sealed envelope and addressed to the Clerk of the Board of Supervisors of San Bernardino County with the envelope and bid clearly marked "Proposal for Central School District Bonds."

HIGHEST BIDDER: The bonds will be awarded to the highest responsible bidder or bidders considering the interest rate or rates specified and the premium offered, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from the total amount of interest which the district would be required to pay from the date of said bonds to the respective maturity dates thereof at the coupon rate or rates specified in the bid and the award will be made on the basis of the lowest net interest cost to the district. The lowest net interest cost shall be computed on a 360-day year basis. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. The cost of printing the bonds will be borne by the district.

RIGHT OF REJECTION: The Board of Supervisors reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Supervisors will take action awarding the bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of proposals; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given to said board notice in writing of the withdrawal of such proposal.

PLACE OF DELIVERY; FORM OF PAYMENT: Delivery of said bonds will be made to the successful bidder at the office of the County Treasurer-Tax Collector of San Bernardino County, California. Payment of the bonds must be in cash or certified federal reserve bank funds, which are immediately available to the district, or other comparable funds.

PROMPT DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that said bonds will be delivered to the successful bidder within thirty (30) days from the date of sale thereof. The successful bidder shall have the right, at his option, to cancel the contract of purchase if the bonds are not tendered for delivery within sixty (60) days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

BID CHECK: A certified or cashier's check on a responsible bank or trust company in the amount of not less than four percent (4%) of the par value of said bonds, payable to the order of the Treasurer-Tax Collector of San Bernardino County must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for said bonds in accordance with the terms of his bid. The proceeds of the check accompanying any accepted proposal shall be applied on the purchase price or, if such proposal is accepted but not performed, unless such failure of performance shall be caused by any act or omission of said county, said district, or an officer of either of them, shall then be retained by said Treasurer-Tax Collector for the benefit of the district. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by the successful bidder.

CHANGE IN TAX At any time before the bonds are tendered for delivery the successful bidder
EXEMPT STATUS: may disaffirm and withdraw the proposal, if the interest received by private
 holders from bonds of the same type and character shall be declared to be
taxable income under present federal income tax laws, either by a ruling of the Internal Revenue
Service or by a decision of any federal court, or shall be declared taxable or be required to be
taken into account in computing any federal income taxes, by the terms of any federal income tax
law enacted subsequent to the date of this notice.

LEGAL OPINION; The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe, Attorneys,
BOND PRINTING: approving the validity of said bonds will be furnished the successful bidder
 at or prior to the date of delivery of the bonds at the expense of the district.

A copy of such legal opinion, certified by the County Treasurer-Tax Collector by his facsimile
signature will be printed on the back of each bond without cost to the successful bidder.

The unqualified opinion of said attorneys that interest on the bonds is exempt from income
taxes of the United States of America under present federal income tax laws, and that such interest
is also exempt from personal income taxes of the State of California under present state income tax
laws, will also be furnished the successful bidder at or prior to the time of delivery of the bonds,
at the expense of the district.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on said bonds but neither
 the failure to print such numbers on any bond nor error with respect thereto
shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and
pay for said bonds in accordance with the terms of the purchase contract. All expenses in rela-
tion to the printing of CUSIP numbers on said bonds shall be paid by the issuer; provided, how-
ever, that the fee of the CUSIP Service Bureau for the assignment of said numbers shall be the
responsibility of and shall be paid for by said purchaser.

NO LITIGATION At the time of payment for and delivery of said bonds, the successful bidder
CERTIFICATE: will be furnished with a certificate that there is no litigation pending affecting
 the validity of the bonds.

OFFICIAL STATEMENT: The district has prepared an official statement relating to the bonds, a
 copy of which will be furnished upon request to Stone & Youngberg
Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, Calif-
ornia, 94111, financing consultants to the district. The district will furnish to the successful
bidder, at no charge, 100 copies of the official statement for this issue for use in connection with
any resale of the bonds.

ASSESSED VALUATION: The assessed value of the taxable property within said school district
 as shown on the equalized assessment roll for 1978-79, modified as
required by law, is \$50,254,790; and the current bonding capacity of said district is \$2,512,740.
The total amount of bonds of said district previously issued and outstanding as of December 1,
1978 is \$1,780,000.

By order of the Board of Supervisors of San Bernardino County, California, adopted
January 8, 1979.

Andree Disharoon
Acting Clerk of the Board of Supervisors
of San Bernardino County

By _____
Deputy

INTRODUCTION

The \$725,000 principal amount of Central School District Election 1977, Series 2 Bonds currently offered for sale represent the second offering of the \$2,500,000 principal amount authorized by the District's voters on March 8, 1977. The District sold \$1,570,000 of Election 1977, Series 1 Bonds on November 21, 1977. Proceeds from the sale of the Series 2 Bonds will be used to purchase and install sixteen relocatable classrooms. The additional classrooms are needed to mitigate existing double-session conditions at the District's elementary schools.

The Central School District, established in 1912, provides public education services from kindergarten through the eighth grade to a six-square mile area containing approximately 16,000 residents. The District is located in southwestern San Bernardino County, approximately 42 miles east of Los Angeles and 19 miles west of San Bernardino. The District's boundaries encompass the central portion of the newly incorporated City of Rancho Cucamonga plus a small portion of the City of Upland.

Construction activity in the District and environs has proceeded at a vigorous pace since 1975. Demand for new homes in this area has been stimulated primarily by families relocating from Los Angeles and Orange counties, in many instances to purchase more moderately-priced or larger homes. As of the third quarter of 1978, twelve developers had scheduled to build a total of 992 housing units within the District, of which 722 were completed and 574 sold. Virtually, all units are single-family detached homes in the \$60,000-\$90,000 price range.

Historically, the economy of the District was based primarily upon agriculture. The vineyards which once comprised the major segment of the District's agricultural base are rapidly yielding to suburban expansion. The largest industrial employer within the District is the headquarters of Data-Design Laboratories, an electronics and technical training firm which employs approximately 250 locally and 700 nationwide. The overlapping City of Rancho Cucamonga contains approximately 75 industrial plants, 13 of which employ 100 or more persons locally. The presence of the Kaiser Steel plant three miles east of the District, Ontario International Airport less than three miles south, plus ready access to freeways and railways combine to enhance the industrial potential of the District and surrounding area.

The District's average daily attendance has grown from 1,728 students in 1973/74 to an estimated 2,286 students for the 1978/79 fiscal year. The Proposed Rancho Cucamonga General Plan indicates that the Central School District will potentially have between 3,700 and 4,210 students once the area is fully developed.

Between 1973/74 and 1978/79 the District's assessed valuation increased nearly 157 percent from \$19,558,190 to \$50,254,790. The District's 1978/79 assessed valuation is more than 34 percent greater than the previous year's total despite the limitations imposed by Article XIII A of the California Constitution.

Upon delivery of the Election 1977, Series 2 Bonds currently offered for sale, the District's direct debt will be \$2,475,000 or 4.92 percent of its 1978/79 assessed valuation and 1.23 percent of estimated market value. Net direct and estimated overlapping debt will be 12.34 percent and 3.08 percent of assessed valuation and estimated market value, respectively.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$725,000 principal amount of Central School District Election 1977, Series 2 Bonds, currently offered for sale are general obligations to be issued under provisions of Title 1, Division 1, Part 10, Chapter 2 of the State of California Education Code, pursuant to a resolution of the Board of Supervisors of San Bernardino County adopted on January 8, 1979.

The \$725,000 principal amount Election 1977, Series 2 Bonds represent the second sale of a total authorization of \$2,500,000 approved by the District voters on March 8, 1977. On November 21, 1977, the District sold \$1,570,000 principal amount of Election 1977, Series 1 Bonds. Following the sale of the Election 1977, Series 2 Bonds, \$205,000 of the \$2,500,000 authorization will remain unissued.

TERMS OF SALE

Bids will be received by the Board of Supervisors of San Bernardino County at or before 10:00 A.M. on Monday, February 26, 1979 at the Office of the Clerk of the Board of Supervisors, County Civic Building, 175 West Fifth Street, San Bernardino, California. The Bonds will be sold pursuant to the terms of sale contained in the Notice Inviting Bids adopted by the Board of Supervisors on January 8, 1979.

DESCRIPTION OF THE BONDS

The Election 1977, Series 2 Bonds, consist of \$725,000 aggregate principal amount dated March 1, 1979. The Bonds, all in the denomination of \$5,000, will mature serially in consecutive numerical order from lower to higher as set forth in the following maturity schedule:

<u>Maturity Date</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>
1981	\$ 15,000
1982	20,000
1983	20,000
1984	20,000
1985	25,000
1986	25,000
1987	30,000
1988	30,000
1989	30,000
1990	30,000
1991	35,000
1992	35,000
1993	40,000
1994	40,000
1995	45,000
1996	45,000
1997	50,000
1998	70,000
1999	120,000

INTEREST

Interest on the Bonds, at a rate not to exceed eight percent (8%) per annum, is payable for the first year on March 1, 1980 and semiannually thereafter on September 1 and March 1.

REDEMPTION PROVISIONS

Bonds maturing on or before March 1, 1994 are not subject to call and redemption prior to their fixed maturity dates. Bonds maturing on or after March 1, 1995, are subject to call and redemption prior to their fixed maturity dates at the option of the District, as a whole or in part, in inverse order of maturity and number beginning with the highest numbered bond on any interest payment date on and after March 1, 1989 at a redemption price equal to the principal amount of the bonds so called for redemption plus a premium of one-quarter of one percent of such principal amount plus one-quarter of one percent of such principal amount for each year or portion of a year between the redemption date and the maturity date of the Bonds so called for redemption.

PAYMENT

Both principal and interest are payable in lawful money of the United States of America at the Office of the Treasurer-Tax Collector of San Bernardino County in San Bernardino, California.

REGISTRATION

The Bonds will be issued as coupon bonds, registrable only as to both principal and interest.

LEGAL OPINION

All proceedings in connection with the issuance of the Bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for the District. The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe attesting to the validity of the Bonds will be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this Official Statement under the heading "THE BONDS" have been reviewed by bond counsel. Bond counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see the following subsection entitled "TAX EXEMPT STATUS"). The opinion of bond counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this Official Statement, not mentioned in this paragraph.

TAX EXEMPT STATUS

In the opinion of bond counsel, the interest on the bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions, and the Bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

LEGALITY FOR INVESTMENT

The Bonds are legal investments in California for all trust funds and for the funds of insurance companies, commercial banks, trust companies, and for State school funds, and are eligible as security for deposits of public monies in California.

SECURITY

The Bonds are general obligations of the Central School District, and the Board of Supervisors of San Bernardino County has the power and is obligated to levy ad valorem taxes for payment of the Bonds and the interest thereon upon all property within the District, subject to taxation by the District (except certain personal property which is taxable at limited rates), without limitation of rate or amount.

NO LITIGATION

At the time of payment for and delivery of said Bonds, the successful bidder will be furnished with a certificate that there is no litigation pending affecting the validity of the Bonds.

In the case of Serrano v. Priest, Case No. L.A. 30398, the California Supreme Court on December 30, 1976, affirmed a Judgment of the Superior Court of Los Angeles County, entered September 3, 1974, declaring that California's system of financing its public schools violates equal-protection-of-the-laws provisions of the California Constitution.

The affirmed Judgment of the Superior Court also provides: that the Judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the School Financing System, that the existing School Financing System shall continue to operate for a reasonable length of time so that a constitutional system can be designed, enacted into law, and placed into operation; that any redesign of the School Financing System which provides for the elimination of unconstitutional features on a gradual basis must be such that the redesigned School Financing System will be fully constitutional no later than six years from date of entry of the Judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a reasonable time from entry of the Judgment, a fully constitutional system. The legislature enacted Chapter 894 as an urgency measure in September 1977 in part as a response to the Serrano case. The legislation does not affect the tax rates for debt service on outstanding or currently issued bonds.

PURPOSE OF ISSUE

Proceeds from the sale of the \$725,000 principal amount of Election 1977, Series 2 Bonds will be used for authorized school purposes as described in the section of this Official Statement entitled, "THE IMPROVEMENT PROGRAM".

ESTIMATED DEBT SERVICE

Table 1 presents a schedule of the estimated debt service requirements for the \$725,000 of Election 1977, Series 2 Bonds based upon an interest rate of seven percent together with the actual annual bond service requirements for the District's prior bond issues.

Table 1
CENTRAL SCHOOL DISTRICT
Estimated Annual Bond Service Requirements

\$725,000 Election 1977, Series 2 Bonds (1)

Fiscal Year	Principal Outstanding	Interest Estimated at 7%	Principal Maturing	Total Bond Service	Bond Service on Prior Issues	Estimated Aggregate Bond Service
1979/80	\$ 725,000	\$ 50,750	\$ --	\$ 50,750	\$ 168,930.00	\$ 219,680.00
1980/81	725,000	50,750	15,000	65,750	150,417.50	216,167.50
1981/82	710,000	49,700	20,000	69,700	137,217.50	206,917.50
1982/83	690,000	48,300	20,000	68,300	138,930.00	207,230.00
1983/84	670,000	46,900	20,000	66,900	134,505.00	201,405.00
1984/85	650,000	45,500	25,000	70,500	135,442.50	205,942.50
1985/86	625,000	43,750	25,000	68,750	136,055.00	204,805.00
1986/87	600,000	42,000	30,000	72,000	136,792.50	208,792.50
1987/88	570,000	39,900	30,000	69,900	137,925.00	207,825.00
1988/89	540,000	37,800	30,000	67,800	139,005.00	206,805.00
1989/90	510,000	35,700	30,000	65,700	139,760.00	205,460.00
1990/91	480,000	33,600	35,000	68,600	140,227.50	208,827.50
1991/92	445,000	31,150	35,000	66,150	140,450.00	206,600.00
1992/93	410,000	28,700	40,000	68,700	145,250.00	213,950.00
1993/94	370,000	25,900	40,000	65,900	144,625.00	210,525.00
1994/95	330,000	23,100	45,000 (2)	68,100	148,625.00	216,725.00
1995/96	285,000	19,950	45,000 (2)	64,950	147,250.00	212,200.00
1996/97	240,000	16,800	50,000 (2)	66,800	150,500.00	217,300.00
1997/98	190,000	13,300	70,000 (2)	83,300	143,500.00	226,800.00
1998/99	120,000	8,400	120,000 (2)	128,400	-	128,400.00
Totals		\$ 691,950	\$ 725,000	\$1,416,950	\$2,715,407.50	\$4,132,357.50

(1) Bonds dated March 1, 1979.

(2) Callable on and after March 1, 1989.

THE IMPROVEMENT PROGRAM

The Central School District was formed in 1912. The facilities of the District include two elementary schools and one intermediate school. An additional elementary school is under construction and scheduled to open in September, 1980. The new elementary school was financed from funds provided by the sale of \$1,570,000 principal amount of Election 1977, Series 1 Bonds on November 21, 1977.

Since the 1973/74 school year, the District's average daily attendance has increased approximately 32.3 percent from 1,728 to 2,286. Enrollment as of January 15, 1979 was 2,333. District staff estimates that enrollment will increase to 2,900 by September, 1980, as a result of the high-level of construction activity occurring within the school district's boundaries. The Proposed Rancho Cucamonga General Plan indicates that the Central School District will potentially have between 3,700 and 4,210 students once the area is fully developed.

Proceeds from the sale of the Election 1977, Series 2 Bonds will be used to purchase sixteen relocatable classrooms to mitigate the over-crowding of the District's existing facilities (double sessions are currently held at each of the three schools). The sixteen portable classrooms will initially be situated adjacent to the elementary school currently under construction. Upon completion of the elementary school the classrooms will be moved to an undeveloped school site which the District owns where they will be utilized to further alleviate over-crowding.

The District currently plans to acquire four additional relocatable classrooms on a lease-purchase basis using General Fund monies. These classrooms will be installed at the District's junior high school.

The following tabulation presents a summary of the project costs to be met with the proceeds of Election 1977, Series 2 Bonds.

CENTRAL SCHOOL DISTRICT Estimated Project Costs

Sixteen relocatable classrooms	\$ 619,000
Utilities and paving	16,560
Furniture and equipment	31,000
Architectural and engineering fees	37,140
Contingencies, costs of bond issuance and construction test	<u>21,300</u>
Total Project Costs	\$ 725,000

DISTRICT ORGANIZATION AND FINANCIAL DATA

ORGANIZATION

The Central School District provides kindergarten through eighth grade educational services to residents of an area encompassing approximately six square miles which includes a major portion of the newly incorporated City of Rancho Cucamonga and a small part of the City of Upland.

The District has operated as an elementary school district under the laws of the State of California continuously since 1912. The District is governed by an independent Board of Trustees of five members who are elected at large to overlapping four-year terms. The District's affairs are administered by the Superintendent, who is appointed by the Board of Trustees. Norman C. Guith, Ed.D. was appointed as the District's Superintendent on September 2, 1978, replacing Mr. Donald L. Sperry who had served in that capacity since September 1965. Dr. Guith began his educational career in 1962 and has held administrative positions since 1966.

FACILITIES, PERSONNEL AND ATTENDANCE

District facilities include two elementary schools and one intermediate school. The District's staff includes 87 certificated, 30 classified and 7 administrative personnel plus 90 part-time classified employees.

The following tabulation presents a summary of the Central School District's average daily attendance for the past five years plus the District staff's estimate for the current school year. The estimated daily attendance for 1978/79 represents an increase of approximately 32.3 percent since 1973/74.

CENTRAL SCHOOL DISTRICT Average Daily Attendance (1)

Fiscal Year	Average Daily Attendance
1973/74	1,728
1974/75	1,825
1975/76	1,948
1976/77	2,098
1977/78	2,111
1978/79	2,286 (2)

(1) Includes summer school enrollments and special classes.

(2) Estimate by District staff as of December 31, 1978.

Source: San Bernardino County Superintendent of Schools
except estimate for 1978/79.

CONSTITUTIONAL AMENDMENT (PROPOSITION 13)

At the June 6, 1978 election, California voters approved Proposition 13, the Jarvis-Gann Constitutional Initiative. The California Supreme Court upheld the constitutionality of Proposition 13 in a ruling on September 22, 1978. The text of Proposition 13, now Article XIII A of the California Constitution, is as follows:

"Section 1.

- (a) The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) tax is to be collected by the counties and apportioned according to law to the districts within the counties.
- (b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any indebtedness approved by the voters prior to the time this section becomes effective.

Section 2.

- (a) The full cash value means the County Assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value", or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 tax levels may be reassessed to reflect that valuation.
- (b) The fair market value base may reflect from year to year the inflationary rate not to exceed two percent (2%) for any given year or reduction as shown in the consumer price index or comparable data for the area under taxing jurisdiction.

Section 3.

From and after the effective date of this article, any changes to State taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property or sales or transaction taxes on the sales of real property may be imposed.

Section 4.

Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district.

Section 5.

This article shall take effect for the tax year beginning on July 1 following the passage of this Amendment, except Section 3 which shall become effective upon the passage of this article.

Section 6.

If any section, part, clause or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining sections shall not be affected but will remain in full force and effect."

LEGISLATION TO IMPLEMENT PROPOSITION 13

On June 24, 1978, the Governor approved Senate Bill 154 (Chapter 292, 1978 Statutes) which provides partial temporary relief to local governmental entities from the difficulties brought about by the passage of Proposition 13. This bill, among other purposes, appropriates funds from the State General Fund:

A. to the State School Fund (said Fund provides for the funding of California school districts) in lieu of statutory prescribed appropriations for the 1978/79 fiscal year and presents a method for computing the state support for school districts by the County Superintendent of Schools.

B. to various categorical aid programs operated by school districts.

On June 30, 1978, the Governor also approved Senate Bill 2212 (Chapter 332, 1978 Statutes) which makes various technical and other changes in school finance provisions to comply with Chapter 292, 1978 Statutes.

State appropriations to the State School Fund and various categorical aid programs operated by school districts pursuant to Chapters 292 and 332, 1978 Statutes are applicable for fiscal year 1978/79 only. There is no guarantee that subsequent replacement of lost property tax revenue resulting from the passage of Proposition 13 will be made by the Legislature in any future fiscal year.

ASSESSED VALUATIONS

The San Bernardino County Assessor assesses property for District taxing purposes. The State Board of Equalization reports that 1977/78 San Bernardino County valuations averaged 24.7 percent of full market value, except for public utility property, which is assessed by the State at reported state-wide average of 25 percent of full value. County assessment ratios for 1978/79 are not available from the State Board of Equalization as of the date of this Official Statement.

Under California State Law, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of such exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for delinquencies. Table 2 presents the Central School District's 1978/79 assessed valuation by tax roll, before and after these two exemptions.

Table 2
CENTRAL SCHOOL DISTRICT
1978/79 Assessed Valuation

Tax Roll	Net Assessed Valuation	Homeowners' and Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
Local Secured	\$41,147,470	\$ 5,521,680	\$46,669,150
Utility	3,105,640	--	3,105,640
Unsecured	<u>401,590</u>	<u>78,410</u>	<u>480,000</u>
Total	\$44,654,700	\$ 5,600,090	\$50,254,790

Source: San Bernardino County Auditor-Controller.

Table 3 summarizes the growth which has occurred in the District's assessed valuation during the current and preceding five fiscal years. It can be noted that the District's 1978/79 assessed valuation is more than 34 percent higher than the previous year's total despite the limitations imposed by Article XIII A of the State Constitution.

Table 3
CENTRAL SCHOOL DISTRICT
Growth in Assessed Valuations (1)

Fiscal Year	Local Secured	Utility	Unsecured	Total
1973/74	\$17,448,130	\$1,593,870	\$ 516,190	\$19,558,190
1974/75	20,188,490	1,718,610	770,870	22,677,970
1975/76	20,906,080	1,841,440	933,210	23,680,730
1976/77	26,543,725	2,038,000	962,190	29,543,915
1977/78	33,725,660	2,497,850	1,160,085	37,383,595
1978/79	46,669,150	3,105,640	480,000	50,254,790

(1) Before deduction of homeowners' and business inventory exemptions.

Source: San Bernardino County Auditor-Controller.

TAX RATES

Commencing with the 1978/79 fiscal year, District taxes - except for taxes to meet debt service on bonds previously approved by the voters - are allocated by the County Auditor-Controller from the proceeds of the tax rate of \$4 per \$100 assessed valuation established under Article XIII A of the State Constitution.

Prior to the 1978/79 fiscal year the District's tax rate was established by its Board of Trustees. During the 1973/74 through 1977/78 fiscal years the District's total tax rate ranged from \$2.7354 to \$2.9834 per \$100 assessed valuation.

The District levies a 1978/79 fiscal year tax rate of \$0.4426 per \$100 assessed valuation which is in addition to the one percent of market value tax limitation imposed by Article XIII A of the California Constitution. The components of this tax rate are as follows: \$0.4002 for bond interest and redemption; \$0.0064 for State building aid; and \$0.0360 for State loan repayment.

Under implementing legislation for Proposition 13 (see page 9), certain funds for school districts are subject to annual legislative appropriation. The District's 1978/79 budget, summarized in Table 6 (page 14), reflects the shift from local to state sources of revenue caused by Proposition 13.

There are fourteen tax rate areas in the District. The overall 1978/79 tax rates for these fourteen taxing areas range between \$4.8540 and \$4.9690 per \$100 assessed valuation. Nearly 59.4 percent of the District's assessed valuation is located in Tax Rate Area 15009, which has a 1978/79 assessed valuation of \$29,834,345. Tax Rate Area 15009 was established for the 1978/79 fiscal year from Tax Rate Areas 6001, 6005, and 6006 to reflect the incorporation of the City of Rancho Cucamonga. Previously, the majority of the District's assessed valuation was located within Tax Rate Areas 6001 and 6007 which together accounted for approximately 78 percent of the District's 1977/78 assessed valuation.

The following tabulation presents a five year summary of the tax rates levied in the largest tax rate areas within the District.

CENTRAL SCHOOL DISTRICT

Largest Tax Rate Areas (1)

Tax Rates Per \$100 Assessed Valuation

Fiscal Year	1974/75	1975/76	1976/77	1977/78	1978/79
County	\$ 3.1466	\$ 3.1466	\$ 3.1616	\$ 2.8356	\$ 4.0000 (3)
Schools	6.1591	6.0927	6.1954	5.9194	.5230
County Service Areas	.2623	.3350	.3676	.2876	-
Fire District	.6905	.7219	.7000	.8972	-
Flood Zone 1	.3000	.3000	.3000	.2971	-
Municipal Water	.4800	.5500	.6400	.7600	.0810 (4)
Metropolitan Water	.1800	.1600	.1500	.1400	.1200 (4)
Other Water	<u>.4700</u>	<u>.3100</u>	<u>.6275</u>	<u>.3900</u>	<u>.2450 (4)</u>
Total Rate All Property	\$11.6885	\$11.6162	\$12.1421	\$11.5269	\$ 4.9690
Land Only Rates:					
Soil Conservation	-	-	-	.0275	-
Water Agency	<u>.2145 (2)</u>	<u>.2145 (2)</u>	<u>.2145 (2)</u>	<u>.2145 (2)</u>	-
Total Tax Rate	\$11.9030	\$11.8307	\$12.3566	\$11.7689	\$ 4.9690

(1) Tax Rate Areas 6001 and 6007 during 1974/75 through 1977/78 fiscal years and 15009 for 1978/79 fiscal year.

(2) Applicable to Tax Rate Area 6001 only.

(3) Basic levy of one percent of market value to be apportioned among the taxing agencies within the County.

(4) Levy for repayment of indebtedness approved by electorate prior to July 1, 1978.

Source: San Bernardino County Auditor-Controller.

LARGEST TAXPAYERS

The Red Hill Country Club is the largest taxpayer in the District, having a 1978/79 assessed valuation of \$2,677,610, or approximately 5.3 percent of the school district's total assessed valuation. The second largest taxpayer is General Telephone Company of California which has a 1978/79 assessed valuation of \$2,199,080. Table 4 shows a listing of the ten largest taxpayers within the Central School District during the 1978/79 fiscal year.

Table 4
CENTRAL SCHOOL DISTRICT
Ten Largest Taxpayers - 1978/79 Fiscal Year

Name	Product/Service	1978/79 Assessed Valuation
Red Hill Country Club	Country Club	\$ 2,677,610
General Telephone of California	Public Utility	2,199,080
Frank H. & Louis G. Bandy	Shopping Center	1,615,400
H. H. Downey, Inc.	Mobile Home Park	1,050,700
Lewis Development Company	Developer	1,025,360
Haven Investment Company	Investments	964,860
Union Steel Company	Steel Products	875,280
Property Investments West	Investments	808,811
Stan & Ruth Flinkman	Apartments	725,640
Brad, Catherine & Jack Downey	Developer	568,125

Source: San Bernardino County Assessor.

TAX LEVIES AND DELINQUENCIES

Ad valorem taxes are collected for the District by the San Bernardino County Tax-Collector at the same time and on the same rolls as county and special district taxes. Secured taxes are due on November 1, and March 1, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are due on March 1 and become delinquent in the following fiscal year on August 31.

The tabulation at the top of the following page shows the secured taxes levied for general purposes by the District during the past five fiscal years, together with the total amounts and percentages delinquent as of June 30 of each year.

CENTRAL SCHOOL DISTRICT

Secured Tax Levies and Delinquencies-General Purpose

Year Ending June 30	Secured Tax Levy	Delinquent as of June 30	
		Amount	Percentage
1974	\$203,524	\$ 7,806	3.84%
1975	236,852	5,078	2.14
1976	260,374	7,695	2.96
1977	355,432	3,169	0.89
1978	489,199	10,425	2.13

Source: San Bernardino County Auditor-Controller

FUND BALANCES

Table 5 presents a summary of the District's fund balances as of June 30 for each of the past five fiscal years.

Table 5

CENTRAL SCHOOL DISTRICT

Fund Balances as of June 30

Fund	1974	1975	1976	1977	1978
General Fund	\$244,450	\$157,023	\$214,569	\$282,222	\$ 208,894
Bond Interest Redemption Fund	50,148	93,904	92,496	93,351	173,413
State School Building Fund	6,607	6,599	35	-	16,000
Student Body Fund	1,655	660	2,065	1,426	1,464
Cafeteria Account	2,303	3,116	4,922	10,582	9,873
Bond Building Fund (1)	-	-	-	-	1,553,639

(1) Fund established during 1977/78 fiscal year.Source: District audit reports for individual years.

GENERAL FUND INCOME AND EXPENDITURES

Table 6 presents a five-year summary of General Fund income and expenditures of the Central School District as reported in District audit reports plus the income and expenditures summarized in the 1978/79 Final Budget. For the five years ending in 1977/78, annual budget appropriations and the variance of actual expenditures are shown.

Beginning in 1974/75 all school districts in the State of California were required to follow accounting and financial reporting procedures in accordance with revenue source categories and expenditure object code classifications prescribed by the California State Accounting Manual. Certain school district expenditure items prior to 1974/75 cannot, therefore, be directly compared with subsequent years. The first footnote to Table 6 summarizes expenditure items which are not common to budget line items subsequent to 1973/74.

Table 6
CENTRAL SCHOOL DISTRICT
Summary of General Fund Income and Expenditures

Fiscal Year	1973/74	1974/75	1975/76	1976/77	1977/78	Final Budget 1978/79
Fund Balance July 1	\$ 176,675	\$ 244,450	\$ 157,023	\$ 214,569	\$ 282,222	\$ 208,894
Adjustments to Beginning Balance	3,618	(635)	8,140	975	7,393	-
Adjusted Beginning Balance	\$ 180,293	\$ 243,815	\$ 165,163	\$ 215,544	\$ 289,615	\$ 208,894
<u>Revenues:</u>						
Federal Sources	\$ 36,101	\$ 49,598	\$ 69,511	\$ 61,538	\$ 91,356	\$ 61,138
State Sources	1,023,811	1,125,970	1,375,647	1,696,201	1,815,945	2,466,156
County Sources	17,033	14,718	11,931	21,782	2,721	3,500
Local Sources	487,510	554,511	631,132	803,550	1,015,275	396,400
Incoming Transfers	4,852	2,638	20,174	15,166	16,933	-
Total Revenues	\$1,569,307	\$1,747,435	\$2,108,395	\$2,598,237	\$2,942,230	\$2,927,194
Total Funds Available	\$1,749,600	\$1,991,250	\$2,273,558	\$2,813,781	\$3,231,845	\$3,136,088
<u>Expenditures:</u>						
Certificated Salaries	\$ (1)	\$1,077,318	\$1,193,551	\$1,407,520	\$1,658,600	\$1,599,073
Classified Salaries	(1)	299,350	339,205	417,939	528,230	521,528
Employee Benefits	(1)	177,084	207,257	277,053	369,091	383,873
Books, Supplies, Equipment Replacement	(1)	81,762	99,440	145,584	121,910	127,150
Contracted Services	(1)	116,415	152,261	177,306	229,284	229,329
Capital Outlays	33,571	65,984	44,893	59,953	50,286	22,410
State Loan Repayment	15,230	10,120	11,632	33,430	51,086	18,709
Outgoing Tuition and Transfers	5,741	6,194	10,750	12,774	14,464	219,969 (2)
Total Expenditures	\$1,505,150	\$1,834,227	\$2,058,989	\$2,531,559	\$3,022,951	\$3,122,041
Revised Budget Expenditures	\$1,632,002	\$1,949,055	\$2,198,672	\$2,676,653	\$3,335,072	\$ -
Variance to Actual Expenditures	\$ 126,852	\$ 114,828	\$ 139,683	\$ 145,094	\$ 312,121	\$ -
Ending Fund Balance, June 30	\$ 244,450	\$ 157,023	\$ 214,569	\$ 282,222	\$ 208,894	\$ 14,047

(1) Not available due to change in reporting procedures. Total current expense of \$1,450,608, consisting of the following: Administration, \$73,218; Instruction, \$985,704; Health Services, \$5,149; Pupil Transportation, \$33,811; Operation of Plant, \$125,685; Maintenance of Plant, \$64,146; Fixed Charges, \$150,468; Food Services, \$1,830; and Community Services, \$10,597.

(2) Includes Appropriation for Contingencies of \$205,169.

Sources: District audit reports for fiscal years 1973/74 through 1977/78; Annual Budget Report (Form J-41) July 1, 1978 to June 30, 1979, adopted by the District's governing board on September 27, 1978 for 1978/79 data.

DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT

The District's general obligation bonding capacity is equal to five percent of its assessed valuation after all exemptions except homeowners and business inventory, as adjusted by the Collier Factor. The Collier Factor is a comparison of the county's assessment levels with the statewide average ratio. The factor is used to offset differences in assessment levels for intercounty school districts and conforms assessments to the statewide average assessment level for all property. The District's bonding capacity as reported by the San Bernardino County Auditor-Controller is \$2,512,740. Upon delivery of the bonds currently being offered, the District's general obligation bonded debt will be \$2,475,000.

Following is a summary of the District's outstanding bonded debt as of February 26, 1979. Table 7 is a statement of direct and overlapping bonded debt of the District as of February 26, 1979.

CENTRAL SCHOOL DISTRICT

Outstanding Bonded Indebtedness as of February 26, 1979

Date of Issue	Original Amount of Issue	Final Maturity	Amount Outstanding February 26, 1979
June 1, 1961	\$ 150,000	1979	\$ 10,000
July 1, 1964	170,000	1979	20,000
December 1, 1965	175,000	1980	40,000
February 1, 1971	350,000	1983	120,000
December 1, 1977	1,570,000	1997	1,560,000
March 1, 1979	750,000 (1)	1999	725,000
Total			\$2,475,000
(1) Bonds currently offered for sale.			

LEASE AGREEMENTS

As of June 30, 1978, the District had a contingent liability of \$75,297 for lease agreements with options to purchase. Of this amount, \$61,367 relates to two school busses and \$13,930 applies to the lease of a relocatable classroom.

The final lease payment for one bus is due July 1, 1979 in the amount of \$3,448 and a final lease payment of \$341 will be due for the second bus August 1, 1982. Final payment for the relocatable classroom is due October 4, 1980, in the amount of \$4,643.

The District is leasing a commercial building for District administration purposes. A three year renewable lease was consummated at \$7,200 per year beginning fiscal year 1977/78.

EMPLOYER - EMPLOYEE RELATIONS

Certificated personnel of the Central School District are members of the recognized professional organization of the Central Teachers Organization (an affiliate of the California Teachers and National Education associations). Classified employees may be members of Local 605, California School Employees Association.

Table 7
CENTRAL SCHOOL DISTRICT
Statement of Direct and Estimated Overlapping Debt (1)

Estimated Population	16,000	
1978/79 Assessed Valuation	\$ 50,254,790 (2)	
Estimated Market Value	\$201,019,000 (3)	
	Debt Applicable February 26, 1979 (4)	
Public Agency	Percentage	Amount
San Bernardino County Building Authorities	1.484%	\$ 190,462 (5)
San Bernardino County Free Library Authorities	1.999	19,790
Metropolitan Water District	0.100	522,940
Cucamonga County Water District	20.708-20.809	596,051
Cucamonga County Water District, Improvement District 1963-1	25.627	283,178
Cucamonga County Water District, Improvement District 5	22.076	1,758,353
Chino Basin Municipal Water District	3.765	508,840
Chaffey Community College District	3.772	5,658
Chaffey Union High School District	6.121	251,879
Central School District	100.000	2,475,000 (6)
City of Upland and Building Authorities	0.497	11,877
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT		\$6,624,028
Less: City of Upland water bonds (100% self-supporting)		5,814
Cucamonga County Water District bonds (70% self-supporting)		417,236
NET DIRECT AND OVERLAPPING BONDED DEBT		\$6,200,978

	Ratio To		
	Assessed Valuation	Market Value	Per Capita
Assessed valuation	-- %	-- %	\$3,141
Direct debt	4.92	1.23	155
Net direct and estimated overlapping bonded debt	12.34	3.08	388

- (1) Compiled in cooperation with California Municipal Statistics, Inc.
- (2) Before the deduction of \$5,600,090 homeowners' and business inventory exemptions, the taxes on which are reimbursed by the State.
- (3) Under California law, property is assessed at 25 percent of the 1975/76 full cash value, except for newly constructed property or property that undergoes a change of ownership, which properties are assessed as of the date of construction or of change in ownership; thereafter, assessed valuations are increased by two percent per year to reflect inflation.
- (4) Excludes sales, if any, between January 23, 1979 and February 26, 1979, except for the bonds currently offered for sale.
- (5) Excludes \$3,275 share of County lease-purchase obligations.
- (6) Includes \$725,000 to be sold February 26, 1979.

The District's negotiated employment contracts with the above organizations expired on June 30, 1978. Negotiations with the two employee organizations are currently at an impasse. All District salaries have been frozen for the current fiscal year as a condition to participating in the distribution of state aid arising out of Proposition 13.

Effective July 1, 1976, provisions of the Rodda Act codified as Chapter 981 of the 1975 Statutes, affects all school districts in California. In case of labor disputes, local grievance procedures may be operative (if established by contract), or both parties may agree to submit grievances to final and binding arbitration pursuant to rules adopted by the Educational Employment Relations Board, which administers the Act. The Act's provisions with respect to the rights, obligations, and unfair practices applicable to management and labor became effective April 1, 1976.

PENSION PLANS

The District participates in the State of California Teacher's Retirement System (STRS). This plan covers basically all full-time certificated employees. The District's contribution to STRS for fiscal year 1977/78 amounted to \$121,868, which includes both current costs and backfunding.

The District also participates in the State of California Public Employees' Retirement System (PERS). This plan covers all classified personnel who are employed at least 50 percent of the workweek. The District's contribution to PERS for 1977/78 amounted to \$33,117, which includes both current costs and backfunding. Classified employees also participate in the Federal Social Security System, for which the District paid \$20,387 in 1977/78.

The State Teacher's Retirement System (STRS) operates under provisions of the State Education Code. The System includes California public teachers from preschool through grade fourteen and certain other employees of the public school system. There were approximately 335,100 active members, 75,351 benefit recipients, and 1,149 participating agencies at June 30, 1978. Membership is mandatory for all certificated employees meeting the eligibility requirements.

The System is financed by earnings from investments and contributions from members, school districts, and the State of California, which pays \$144,300,000 annually to the year 2002, subject to annual legislative appropriation. Under present rules, members contribute eight percent of applicable earnings, and school districts contribute a percentage (currently eight percent) of applicable member earnings. However, under legislation enacted in 1977, new increased rates, effective July 1, 1979, would result in total contributions of 21 percent of payroll after a five year period. The employer rate would increase to 10 percent, and the State of California would contribute three percent, with the employee rate remaining at eight percent.

Actuarial valuations of the System are based upon entry-age-normal cost method, which is a projected benefit cost method wherein level normal cost rates (contributions) are computed sufficient to fund benefits over the entire service life of members. The System's financial statements are prepared on the accrual basis of accounting.

At June 30, 1978, the total unfunded obligation of the System was \$10,904,000,000, as determined by the independent actuary. This includes the present value of future State contributions provided by the State Teacher's Retirement Law (\$1,643,000,000).

Comparable figures for June 30, 1977 were \$9,894,721,919 and \$1,666,000,000, respectively. In the opinion of the Chief Executive Officer for STRS, the additional contributions referred to above, while helpful, will not solve the funding problem.

The State Teachers' Retirement System's actuary is Milliman & Robertson, Inc., of San Francisco, California; Investment Counsel for equities is Scudder, Stevens & Clark, San Francisco, California; Auditor is Cooper & Lybrand, Sacramento, California.

The State Public Employees' Retirement System (PERS) was originally established in 1931. As of June 30, 1977, there were 556,759 members, of whom approximately 10% were classified as "safety" members (principally fire and police duties) and the balance were classified as "miscellaneous" members (management, administrative, staff, operational and clerical employees).

Approximately one-third of the members are state personnel and the balance are public agency personnel. As of June 30, 1977, the System provided retirement, death and survivor benefits under 979 contracts for 2,078 public agency employers (cities, counties, school districts, special districts and other public bodies) with 374,051 members. The System's funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and their respective salary schedules.

Total assets of the System at June 30, 1977 were \$8,951,294,831 according to the annual audit. Of this amount net assets of \$8,755,875,035 were available for benefits.

The annual contribution by employers for the 1976/77 fiscal year was \$718,363,062. The annual contribution by employees for the 1976/77 fiscal year was \$312,725,614.

The most recent actuarial valuation, performed by PERS, utilized census data as of June 30, 1977. The total unfunded obligation of the System was determined to be \$7,417,304,677. The method used was entry-age-normal cost, which is a projected benefit cost method wherein level employer normal cost rates, considering present member contributions, are calculated at amounts sufficient to fund benefits over the entire service life of members.

Except for the pooling of certain miscellaneous public agency members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. According to the PERS annual report, public agency employer contribution rates set forth between each agency and PERS will meet all ongoing costs and fund the unfunded liability for each agency in accordance with the terms of each agency's contract.

The System's financial statements are prepared on an accrual basis of accounting and the System's auditor is Touche Ross & Co., San Francisco, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System's actuarial activities are conducted internally on a continuous basis, with an experience analysis being required no less than every four years under the Retirement Law. Management Applied Programming, Inc., Los Angeles, California is reviewing the June 30, 1977 actuarial valuation prepared by the PERS staff.

ECONOMY OF THE DISTRICT AND VICINITY

The Central School District is located in southwestern San Bernardino County. It embraces approximately six square miles, including a major part of the newly incorporated City of Rancho Cucamonga. Bordering the District on the west is the City of Upland, a small portion of which lies within the District. The District is about 42 miles east of Los Angeles and 19 miles west of San Bernardino.

District boundaries encompass the central portion of the City of Rancho Cucamonga, bordering the Alta Loma, Cucamonga and Etiwanda school districts on the north, south and east, respectively. Prior to 1960, agriculture was dominant in the economy of the area. Vineyards still exist in the District. However, pressures of urban growth have gradually raised land values and taxes in recent years and have reduced the profitability of grape production. The supply of grapes for the operating wineries in the area now comes largely from other parts of Southern California. The District has experienced greatly accelerated building activity in recent years, with many new homes being purchased by families relocating from Orange and Los Angeles counties. In many cases, the principal wage earner commutes from his new District residence to the job he had before the move.

Rancho Cucamonga has a substantial industrial base. There are 75 manufacturing plants in the community, producing a wide variety of consumer and industrial goods ranging from wine to textiles and fabricated steel structural members. Most of the industrial establishments are located south of the District boundary. The largest industrial employer within the District is Data-Design Laboratories, an electronics and technical training firm which employs approximately 700 nationwide and 250 locally.

Economic studies prepared for the San Bernardino County General Plan by Wilsey & Ham indicate that the West Valley area of San Bernardino County, of which the District is part, can become the third most important area of industrial concentration in Southern California, ranking behind only Vernon-Los Angeles-Commerce and the Wilmington-San Pedro areas.

CITY OF RANCHO CUCAMONGA

In response to local requests, the Supervisors of San Bernardino County appointed a Municipal Advisory Council in 1972 to explore the feasibility of incorporating the three unincorporated communities of Cucamonga, Alta Loma and Etiwanda. The Council was composed of seven members (two from each community and a representative-at-large from Southern California Edison Company, whose properties represent a large portion of assessed valuation).

At the November 8, 1977 general election, electors of the three communities voted in favor of incorporation by more than 59 percent of the total vote cast. The City of Rancho Cucamonga was incorporated November 22, 1977 as a general law city. It covers approximately 32 square miles. The State Department of Finance estimated that the City's January 1, 1978 population was 49,000. The city is governed by a city council of five members elected at large. Mr. Lauren Wasserman was appointed City Manager on March 27, 1978.

Rancho Cucamonga city offices are located at 9340 Base Line Road, adjacent to the boundaries of Central School District.

POPULATION CHARACTERISTICS

Rancho Cucamonga lies within two census divisions which reported combined 1960 populations of 10,907 and 16,315 in 1970, for a gain of nearly 50 percent in the decade of the nineteen sixties. There are no comparable data for Rancho Cucamonga itself.

The District lies within portions of three planning districts utilized by the San Bernardino County Planning Department in analyzing demographic trends. Data from the 1970 Census were compiled on the basis of these planning districts and sub-areas within these geographic units. During April 1975 a Special Census was conducted for San Bernardino County by the U. S. Bureau of the Census.

The following tabulation summarizes the 1970 and 1975 census data for these three planning districts, plus the County Planning Department's estimates for April 1978.

CENTRAL SCHOOL DISTRICT

Summary of Population and Dwelling Units in Overlapping Planning Districts

Planning District	Population			Dwelling Units		
	1970 (1)	1975 (2)	1978 (3)	1970 (1)	1975 (2)	1978 (3)
No. 5 N.E. Upland	9,114	9,546	10,802	2,535	2,839	3,079
No. 6 Alta Loma-Etiwanda	10,552	16,696	32,178	3,008	5,113	9,150
No. 7 Cucamonga So.	5,444	5,658	10,015	1,481	1,843	3,227

(1) 1970 U. S. Census - U. S. Bureau of the Census.

(2) 1975 Special Census - U. S. Bureau of the Census.

(3) San Bernardino County Planning Department estimate as of April 1, 1978.

The greatest part of the District is located in Planning District No. 6, which has experienced the highest growth rate of the three overlapping planning districts. Based upon census data, the San Bernardino County Planning Department's 1978 population estimates and the growth in student enrollment, it is estimated that the District has a present population of 16,000 persons.

CONSTRUCTION ACTIVITY

Historical building permit valuation data are not available for the City of Rancho Cucamonga since permits were issued by San Bernardino County prior to September, 1978 and the County did not segregate building activity in the Cucamonga area for reporting purposes. The responsibility for issuing building permits is currently being transferred to the City of Rancho Cucamonga.

Construction activity has maintained a vigorous pace in the City of Rancho Cucamonga and environs since 1975. Demand for new homes in this area has been stimulated primarily by families relocating from Los Angeles and Orange counties, in many instances to purchase more moderately-priced or larger homes.

Developer activity is monitored quarterly throughout Southern California by the First American Title Insurance Company of Santa Ana, California. According to this firm's most recent

bulletin, the Upland-Cucamonga-Alta Loma area was the most active area in San Bernardino County for residential construction during the third quarter of 1978, with 884 new homes sold during the quarter out of a county-wide total of 2,593. The report covers the activities of all developers constructing three or more homes.

Data pertaining to construction activity in the Central School District were extracted from the above report by Stone & Youngberg Municipal Financing Consultants, Inc., and are presented in the accompanying tabulation. The tabulation names the principal developers active as of the third quarter of 1978, the total number of units scheduled, the number of units completed as of the quarter, and the number of units sold. Virtually all units are single family homes, in the \$60,000-\$90,000 price range. As of the third quarter, 1978, twelve developers had scheduled a total of 992 units, completed 722 and sold 574. The fact that the number of units scheduled is considerably more than the number completed or sold is evidence of the District's continuing attraction to home builders.

In July 1978, the City of Rancho Cucamonga enacted a temporary building moratorium which was to remain in effect through December 31, 1978. The moratorium has since been extended until March 9, 1979. The moratorium was established to give the City of Rancho Cucamonga time to develop a growth management program. The temporary building restrictions generally apply only to condominium and single family tract homes and exclude apartment rental units, custom homes, and commercial and industrial development.

CENTRAL SCHOOL DISTRICT

Status of Developer Activity as of Third Quarter 1978

Developer	Total Units	Completed Units	Units Sold
Lewis Homes of California	111	111	105
Clarence E. Minnerly	62	62	17
Kent Land Company	117	117	117
Walton Associates Company	29	29	27
Inco Homes	66	66	65
William & Verna LeGrand	25	25	24
Lesny/Fletcher Homes	78	33	23
Winwood Estates/Butler	72	72	31
Thompson Associates Development Corporation	99	99	98
Edward & Minnie Canup	33	33	8
Marlborough Development	198	58	48
M. J. Brock & Sons	<u>102</u>	<u>17</u>	<u>11</u>
Totals	992	722	574

Source: "Recorded Facts", First American Title Insurance Company of Santa Ana, California
Compiled by Stone & Youngberg Municipal Financing Consultants, Inc.

EMPLOYMENT AND INDUSTRY

In 1973 the U. S. Department of Labor prepared a Manpower Profile for the Cucamonga Zip Code Area. The report indicated that 4,846 persons were gainfully employed, out of an estimated labor force of 5,093 and an area population of 13,135. The unemployment rate was 4.8%, based on these government estimates.

According to the study, more than one-third of employed persons in this labor area are operatives, craftsmen, and foremen. About one-fourth are in personal service or clerical occupations, and approximately 13 percent are classified as professionals. By industrial classifications, about 30 percent are in manufacturing, with durable goods predominating, and about 17 percent are in wholesale or retail trade. Other significant categories are professional or related services, construction, and educational services.

It was estimated that of the 3,198 families in the Cucamonga Zip Code Area, 21 percent realized 1973 family incomes of \$15,000 or more.

In 1961 Otis Elevator Company opened a plant in Cucamonga. This event marks the emergence of an urban-industrial economy in the area. Since that time the development of industry has been occurring at a continually increasing rate.

Several factors combine to make the District and vicinity attractive for industrial development:

- Pressures of urban development from the Los Angeles Basin and the area's proximity to that market.
- The presence of Kaiser Steel, the only fully integrated steel plant on the Pacific Coast, three miles east of the District.
- Outstanding rail, highway, and air transportation facilities.
- Major utility installations including a 36-inch interstate gas transmission main, a 1,000,000 kw generating plant in nearby Etiwanda, two major transmission lines of the Metropolitan Water District, and two interconnected industrial waste outfall lines.
- Availability of a ready labor supply.
- Availability of large tracts of readily developable land at comparatively low costs.
- The existence of several large industrial parks owned by private agencies such as Santa Fe Land Improvement Company, Southern Pacific, and other large landowners.

The largest industrial employer in Cucamonga is General Knit of California, a firm owned by Japanese interests which opened a \$10 million textile plant on Fourth Street early in 1975. Being a modern and complete textile installation, the Cucamonga plant represents the development of a new industry on the West Coast. The Cucamonga facility employs over 300 workers. Frito-Lay, Inc., a producer of snack foods, also operates a major industrial facility in Cucamonga. Data-Design Laboratories (located in the District) employs nearly 250 persons at its Cucamonga headquarters. The firm is engaged in the production of printed circuit boards, lighting devices, electronic assemblies, and systems engineering.

A listing of the largest industrial employers in Cucamonga and nearby communities appears on the following page. Residents of the District are within convenient commuting distance of major employment centers in the San-Bernardino-Riverside-Ontario Metropolitan Area. Employment opportunities in this general area are discussed in the section entitled "THE SAN BERNARDINO VALLEY."

COMMERCE

The central business district in Rancho Cucamonga is located at the intersection of Archibald Avenue and Foothill Boulevard (U.S. 66), in the southern portion of the District. Several neighborhood shopping centers, many of which are newly constructed, cater to the expanding population base within the school district and adjacent areas.

Prior to its incorporation, taxable transaction data was not compiled for Rancho Cucamonga. The State Board of Equalization reports that during the first six months of 1978 taxable sales totaling \$31,439,000 were transacted within Rancho Cucamonga. As of July, 1978 there were 191 retail stores and 491 other outlets operating within the city.

BANKING

Commercial banking services are provided in Rancho Cucamonga by the Bank of America, N.T. & S.A (two branches), the First National Bank and Trust Company and Security Pacific National Bank. Additional financial services are offered by the Ontario Savings and Loan Association, the Pomona First Federal Savings and Loan Association, the Sierra Savings and Loan Association and Wilmington Savings and Loan Association.

UTILITIES

Southern California Gas Company and Southern California Edison Company provide natural gas and electric power to the District. Available to local industry is a 36-inch diameter east-west gas transmission main with a capacity of approximately 400 billion cubic feet of natural gas per day. The Etiwanda steam generating plant of the Southern California Edison Company has a generating capacity of 1,000,000 kw.

The General Telephone Company of California maintains a headquarters service center in the District for dispatching repair and maintenance crews. This center serves as supply, garage, and equipment maintenance plant for the surrounding area.

Water and sewer services are provided by the Cucamonga County Water District.

TRANSPORTATION

Major transcontinental rail, highway, and air facilities in or near the District constitute a strong attraction for commerce and industry, and enable District residents to commute over a wide area. Two of the most important facilities are Interstate 10 (The San Bernardino Freeway) and Ontario International Airport, both within three miles of the District's southern boundary.

Paralleling Interstate 10 are main lines of the Southern Pacific, Union Pacific, and the Atchison, Topeka and Santa railroads. A branch line of the Southern Pacific serves industrial and distribution activities in the District.

LARGEST INDUSTRIAL EMPLOYERS IN VICINITY OF THE DISTRICT

Company	Product/Service	No. of Employees
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CUCAMONGA

Columbian Ribbon & Carbon Manufacturing Co., Inc.	Carbon paper & business machine ribbons	100-250
Data-Design Laboratories	Electronics, technical training & educational materials	100-250
Fasson Products (Avery Corp.)	Adhesive coated paper, films & foil	100-250
Frito-Lay, Inc.	Snack foods	100-250
General Knit of California, Inc.	Knitted textiles	250-500
Metropolitan Wire Goods Corp.	Fabricated wire products	100-250
Mobile Industries, Inc.	Mobile homes	100-250
Phillips Industries, Inc.	Aluminum windows & doors for recreational vehicles	100-250
Safetran Systems Corp.	Railroad electronic signaling & communications equipment	100-250
SA Enterprises	Mobile homes	100-250
Robert Manufacturing Co.	Valves	100-250
Sunshine Foods	Food products	100-250
Royal Creations, Inc.	Wood furniture	100-250

ALTA LOMA

American Can Company	Plastic bottles	90
Steel-Web Corp.	Fabricated metal products	50-100
Bennett Industries, Inc.	Metal shipping containers	50-100

ETIWANDA

Ameron Steel Producing Division	Steel bar, coil, wire & mesh	250-500
National Can Corporation	Lithographed metal containers	250-500

UPLAND

Inspiron	Disposable medical products	250-500
Neward Die & Manufacturing Company, Inc.	Custom & plastic molding	100-250
Pactra Industries, Inc.	Package lacquers & manufacture paint	100-250
Upland Lemon Growers Ass'n.	Citrus harvesting	100-250
American Telecommunications Corp.	Electronic equipment	100-250

FONTANA

Kaiser Steel Corporation	Steel manufacturer, plate & structural fabrication	over 9,000
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GUASTI

Brookside Vineyard Co.	Wines, brandy & champagne	100-250
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ONTARIO

Armstrong Nurseries	Nursery stock	100-250
General Electric Co.	Electric flat irons	over 1,000
Hooker Industries, Inc.	Exhaust systems	250-500
Ideal Industries	Travel trailers	100-250
Keystone Products, Inc.	Wheels, auto accessories & die casting	100-250
Lockheed Aircraft Service Company	Aircraft maintenance	500-1,000
Parco-Plastic & Rubber Products Company	Custom molded rubber products	250-500
Progress Bulletin Publishing	Newspaper publishing	100-250
Richton Sportswear	Boys' & mens' sportswear	250-500
Sunkist Growers, Inc.	Orange products	500-1,000
The Woodworks	Wood furniture	100-250

Source: "San Bernardino County 1977/78 Industrial Directory",
San Bernardino County Economic Development Department.

U. S. 66 (Foothill Boulevard) traverses the southern part of the District. Baseline Road (California 30) forms the northern boundary of the District. California 83 (Euclid Avenue) is a north-south artery about one mile to the west. About the same distance to the east is the new Devore Freeway (Interstate 15). These principal north-south highways provide linkage with the San Bernardino Freeway, the Pomona Freeway, and the proposed Foothill Freeway to the north.

Ontario International Airport, three miles south of the District, is a dominant factor in the industrial development and future potential of the area. The existence of the airport is considered a major attraction in the location of industries for whom air freight and transportation of personnel are considered of growing importance. Nine air carriers have regularly scheduled flights to and from Ontario International Airport, which is under control of the Los Angeles Department of Airports. The Department will spend more than \$100 million in improvements at Ontario in accordance with its master plan by 1980. The 1,450-acre airport, second largest in Southern California, accomodates more than 1.3 million passengers and over six million pounds of air cargo annually.

Cable Airport, six miles west of Rancho Cucamonga on U.S. 66, has complete facilities for servicing general and executive aircraft.

Interurban bus service is provided by Southern California Rapid Transit, Greyhound Bus Lines and Continental Trailways. Local bus service is available from Omnitrans, a community transportation authority which initiated service in January 1975.

Shipping facilities to intercoastal and world markets are available at Los Angeles Harbor and the Port of Long Beach.

EDUCATION

The District is part of the Chaffey Union High School District, which operates seven high schools in the area, and the Chaffey Community College District, which administers Chaffey College two miles north of the District. Chaffey College was founded in 1883 as a preparatory school, organized as a junior college in 1916, and reorganized as a junior college in 1922. The campus was relocated to its present site in 1960. In the Fall of 1978 Chaffey College had a total enrollment of 10,698 and a full-time enrollment of 3,471. The college offers two-year programs leading to a certificate in various academic or vocational fields, or for transfer to a four-year degree institution. Among the courses offered are electronics, lithography, aeronautics, fire science, welding technology, life sciences, nursing, dental assisting, and business education. The main campus includes a planetarium and children's center. Off-campus facilities include a Skill Center at Ontario International Airport and the Ontario-Montclair Center in Ontario. Vocational courses at these locations are offered to more than 1,000 adult education participants.

Recognized four-year colleges and universities located within a 35-mile radius of the District include the University of California at Riverside, San Bernardino State College, California State Polytechnic University at Pomona, University of Redlands, Loma Linda University, the Claremont Colleges, (Scripps, Pomona, Claremont, Harvey Mudd, Pitzer), the Claremont Graduate School, California Institute of Technology, Whittier College and Fullerton State University in Orange County.

COMMUNITY FACILITIES AND RECREATION

Hospital care is available at the 309-bed San Antonio Community Hospital in Upland and at two general hospitals in Ontario with a combined capacity of 409 beds. Two convalescent hospitals are located in Rancho Cucamonga.

The Cucamonga-Alta Loma Branch Library, operated by the San Bernardino County, is located within the District in Rancho Cucamonga.

The Rancho Cucamonga Times, the Daily Report and the Progress Bulletin provide local news coverage. The Los Angeles Times maintains an office in Rancho Cucamonga. Radio station KSNE AM-FM broadcasts from the community.

San Bernardino County maintains the following offices in Rancho Cucamonga: Agricultural Commissioner, Constables, and Justice Court.

Fire protection services are provided by the Foothill Fire Protection District and police protection services are furnished by San Bernardino County.

Cucamonga-Guasti County Regional Park, located a few miles south of the District, opened in May 1974. The \$1.2 million park has a one-half acre lagoon for swimming and two lakes, one for fishing and boating and the other reserved for fishing only. Golf courses within the immediate area are La Mancha Golf Course and Red Hill Country Club. The latter is a private course located in the District.

The 700-acre, \$30 million Ontario Motor Speedway is situated between the District and the San Bernardino Freeway. The speedway includes a 2.5 mile oval track for cars of the Indianapolis caliber, a 3.5 mile road race circuit, and a quarter-mile drag strip. Permanent grandstand seats will accommodate 85,000; portable stands and infield spectators extend the audience capacity to over 200,000. Parking is available for 51,000 vehicles.

About four miles north of the District is the San Bernardino National Forest, affording many opportunities for outdoor activities such as hiking, camping, skiing, fishing, and boating. Bordering this area to the west is the Angeles National Forest. Both national forests have wilderness areas for public recreation.

Within convenient freeway driving distance for District residents are the varied recreational and cultural advantages of the Los Angeles Metropolitan Area as well as the many facilities lying within the San Bernardino-Riverside-Ontario Metropolitan Area.

THE SAN BERNARDINO VALLEY

The District lies in the heart of the most intensively developed portion of the San Bernardino-Riverside-Ontario Metropolitan Area which encompasses San Bernardino and Riverside counties. At January 1, 1978, the State Department of Finance estimated that this area, the fifth most populous metropolitan area in California, had a population of 1,347,000, an 18 percent increase over the total reported in the 1970 U. S. Census. The State of California's population increased less than 11 percent during the same period.

The San Bernardino-Riverside-Ontario Metropolitan Area has a wide variety of basic industries such as steel, agriculture, electronics, tourism, military installations, government facilities, and minerals. The only integrated steel mill on the Pacific Coast is located at Fontana, three miles east of the District. This complex accounts for approximately 70 percent of the raw steel output in California.

EMPLOYMENT

Employment patterns in the San Bernardino-Riverside-Ontario Labor Market Area are reported periodically by the State Department of Employment Development. In October, 1978 this labor market supported 394,700 nonagricultural wage and salary workers and 22,100 agricultural workers. Of the nonagricultural workers, nearly 25 percent were on government payrolls, largely at the state and local government level. Trade, services and manufacturing were the other leading sources of jobs, in that order. Of over 62,100 workers in manufacturing more than 73 percent were engaged in durable goods production. Transportation equipment and primary metals were the leading industries in this group. A summary of employment by industry throughout the metropolitan area appears below, and a list of the major employers appears on the following page.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Wage & Salary Employment by Industry

	October 1978	October 1977
Manufacturing	62,100	57,500
Mineral extraction	2,200	2,500
Construction	20,900	18,300
Transportation,communications,utilities	21,800	20,400
Wholesale trade	15,200	14,500
Retail trade	79,400	74,800
Finance,insurance,real estate	15,400	14,800
Services	79,100	76,000
Federal government	15,700	14,700
State and local government	82,900	78,700
Total Nonagricultural	394,700	372,200
Agricultural	22,100	19,500
Total All Industries	416,800	391,700

Source: State Department of Employment Development.

SAN BERNARDINO-RIVERSIDE-ONTARIO LABOR MARKET

Selected Major Employers

Employer	Product/Service	Number of Employees
<u>Manufacturing Employment:</u>		
Amax Aluminum Mill Products, Inc., Riverside	Aluminum sheet, tubing	1,100
Bourns, Inc. Riverside	Electronic components	1,600
Deutsch Co., Banning	Electronic components	900
E. L. Yeager Constr. Co., Rubidoux	Heavy construction, concrete	850
Fleetwood Enterprises, Riverside	Mobile homes, recreation vehicles	1,450
Freightliner Corp., Chino	Trucks	501-1,000
General Electric Co., Ontario	Appliances, aviation services	over 1,000
Johns-Manville Fiber Glass Div., Corona	Fiberglass insulation	400
Kaiser Steel Co., Fontana	Iron, steel, structural shapes	9,000
Kerr-McGee Chem. Corp., Trona	Potash, borax	501-1,000
Lockheed Aircraft Service Co., Ontario	Aircraft maintenance	over 1,000
Owens-Illinois, Lily Tulip Div., Riverside	Containers	430
Press-Enterprise Co., Riverside	Printing, publishing	585
Riverside Cement Co., Riverside	Cement	600
Sunkist Growers, Ontario	Orange products	501-1,000
Sunkist Growers, Corona	Lemon products	450
Rohr Industries, Riverside	Aircraft components	1,040
Toro Co., Riverside	Irrigation systems	350
<u>Non-Manufacturing Employment:</u>		
Central City Mall, San Bernardino	Regional shopping center	3,000
General Telephone Company	Communications	400
Inland Center Mall, San Bernardino	Regional shopping center	2,500
Kasler Corp.	Highway construction	250-500
Loma Linda University & Hospital	University and hospital	5,200
March Air Force Base, Riverside	Defense (civilians only)	1,300
Norton Air Force Base, San Bernardino	Defense	11,000
Pacific Telephone Co.	Utility	800
Riverside County	County government	4,000
San Bernardino County	County government	7,000
San Bernardino School System	Unified school system	3,000
San Bernardino State College	State college	525
San Bernardino Valley College	Community college	700
Sante Fe Railroad	Transportation	3,000
Southern Pacific Railroad	Transportation	1,300
Southern California Edison	Electrical utility	600
Southern California Gas Co.	Gas utility	350
TRW Systems Group	Research/management	750
University of California, Riverside	Education	3,600

Sources: San Bernardino Economic Development and Riverside
County Department of Development.

PERSONAL INCOME

The U. S. Department of Commerce estimates that the monetary income per capita in San Bernardino County was \$5,349 in 1975, compared with \$3,524 in 1970. The 51.8 increase during the 1970-75 period exceeded the statewide increase of 46.5 percent.

CONSTRUCTION ACTIVITY

After a low point in 1974, building permit valuations in San Bernardino County increased by over 57 percent the following year. In 1976, the annual gain exceeded 65 percent. Total valuation in 1977 established a record \$877 million, as reflected in the tabulation below. Single-family residential valuation accounted for the bulk of building permit valuation in 1976, with permits for over 10,000 new homes. This trend continued in 1977 with permits for single-family homes exceeding 15,700. Also 1977 reflects increased activity in multi-family construction, a development which carried over into 1978.

SAN BERNARDINO COUNTY

Building Permit Valuation (\$000 omitted)

Year	1974	1975	1976	1977	1978 (1)
Residential:					
New Single-Family	\$ 91,903	\$185,659	\$382,444	\$658,939	\$537,061
New Multi-Family	10,009	8,207	7,888	36,977	87,222
Additions, Alterations	17,537	23,201	28,511	40,555	41,214
Non-Residential:					
New Commercial	27,449	17,669	39,681	49,808	65,694
New Industrial	10,394	38,472	14,655	26,547	36,084
Alterations, Additions	6,881	7,031	9,244	10,511	10,978
Other	<u>33,295</u>	<u>30,833</u>	<u>33,129</u>	<u>53,882</u>	<u>75,686</u>
Total Valuation	\$197,468	\$311,072	\$515,552	\$877,219	\$853,939
No. of New Dwelling Units:					
Single-Family	3,473	5,192	10,008	15,746	12,111
Multi-Family	<u>634</u>	<u>494</u>	<u>472</u>	<u>2,243</u>	<u>3,783</u>
Total Units	4,107	5,686	10,480	17,989	15,894

(1) January-October.

Source: "California Construction Trends", Security Pacific National Bank.

TAXABLE SALES

Taxable sales in San Bernardino County amounted to nearly \$2.9 billion in 1977, an increase of more than \$550 million and 23.5 percent over the previous year. The following tabulation presents a summary of the taxable sales transacted within San Bernardino County since 1973.

SAN BERNARDINO COUNTY**Taxable Transactions**
(Thousands of Dollars)

	Retail Outlets		All Outlets	
	Permits	Transactions	Permits	Transactions
1973	6,089	\$1,279,608	15,670	\$1,686,423
1974	6,091	1,354,669	16,072	1,823,841
1975	6,182	1,471,122	16,862	1,977,173
1976	6,294	1,726,263	17,673	2,343,336
1977	6,406	2,101,148	18,392	2,894,297

Source: State Board of Equalization

AGRICULTURE

The fertile San Bernardino Valley is a major agricultural area, extending 40 to 50 miles in an east-west direction. It forms a part of the citrus belt of Southern California, and is a leading dairy producing area. Gross value of farm products in San Bernardino County exceeded \$353 million in 1977, the highest value on record for the County. There were 17 commodities with a valuation in excess of one million dollars. Milk and eggs are the principal farm products, accounting for nearly 75 percent of total output in 1977.

The following tabulation presents county agricultural production values by individual years since 1974. A list of the million-dollar crops in 1977, reported by the County Agricultural Commissioner, appears on the following page.

SAN BERNARDINO COUNTY**Gross Value of Farm Production**

	1974	1975	1976	1977
Fruit and nuts	\$ 20,596,500	\$ 16,690,800	\$ 18,539,900	\$ 20,636,800
Vegetables	3,454,500	3,693,600	4,189,900	3,872,700
Field crops	12,065,100	13,823,000	15,075,200	13,203,100
Seed crops	96,900	92,100	301,000	142,500
Nursery prod., cut flowers	4,462,700	4,751,800	5,681,100	8,117,100
Apiary products	1,174,000	924,200	536,500	702,700
Livestock and poultry	37,832,400	41,958,000	40,533,600	40,283,800
Animal products	211,757,500	226,014,500	256,301,600	265,172,300
Aquaculture, worms	--	--	1,107,000	1,508,800
Total Value	\$291,439,600	\$307,948,000	\$342,265,800	\$353,639,800

Source: County Department of Agriculture.

SAN BERNARDINO COUNTY**Million Dollar Crops 1977**

1. Milk	\$203,223,000	10. Pullets	\$3,776,000
2. Eggs	61,838,000	11. Lemons	3,229,000
3. Cattle and Calves	17,688,000	12. Grapes	2,596,000
4. Nursery Products	8,514,300	13. Grapefruit	2,085,000
5. Turkeys	8,421,000	14. Sheep and Lambs	1,275,000
6. Alfalfa Hay	8,003,000	15. Pasture-Permanent	1,275,000
7. Navel Oranges	6,941,000	16. Grain Hay	1,104,000
8. Chicken Fryers	6,164,000	17. Strawberries	1,080,000
9. Valencia Oranges	4,567,000		

Source: County Department of Agriculture.

EDUCATION

Public education in San Bernardino County is administered by 19 elementary school districts, two high school districts, 14 unified (K-12) school districts, and four community college districts. Enrollment in the elementary grades has turned up slightly in the past two years, reversing an earlier trend. Enrollment in the secondary and community college grades has stabilized. A five-year enrollment history of public schools in the County is shown below.

SAN BERNARDINO COUNTY**Total Enrollment in Public Schools (1)**

Grade K-14	1973	1974	1975	1976	1977
Elementary (K-8)	113,616	111,339	111,146	111,599	113,896
Secondary	66,444	69,296	71,466	72,443	72,159
Community College	<u>28,697</u>	<u>32,818</u>	<u>41,835</u>	<u>36,271</u>	<u>35,024</u>
Total	208,757	213,453	224,447	220,313	221,079

(1) Fall enrollment.

Source: County Superintendent of Schools.

Within San Bernardino County are eight universities and colleges. In addition, there are five two-year community colleges. Loma Linda University is a coeducational complex of schools offering undergraduate and graduate degrees including doctoral programs in varied academic and professional fields. The University of Redlands, a private liberal arts college granting baccalaureate and master's degrees, is known for its outstanding programs in the fields of business administration, education, music, chemistry, engineering, mathematics and physics. California State College, San Bernardino, three miles east of San Bernardino, offers the Bachelor's degree in 28 majors, and the Master's degree in various education fields. About ten miles south of the City of San Bernardino is the Riverside campus of the University of California. This is one of nine general campuses of the University of California system.

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